
CHAPTER II

BRAND MANAGEMENT: ISSUES, CHALLENGES, AND STRATEGIES

2.1 An Introduction to Brand Management

If we look back to the history of business or market, there was the time when a business depends upon the quality of the product, if you offered the quality of the goods then people would come and purchase it quickly or as long as you provide the quality products to society or customer you can survive in competition. But nowadays we enter in the luxury world and its time of technology where those product or goods do not measure by their quality, but there are other factors which influence the products. So in the fierce competition, there are so many factors which influenced the business one of them is a brand, so the question arises what the brand is, where it comes from? A Brand is a combination of features, tangible which we can see like product packaging and intangible which we can't look like goodwill of the company, represent in trademark, if appropriately managed, create influence and value. The brand works like a face for an organization. It is the symbol which makes the organization recognizable for the products and services. The brand is an intangible asset of the organization. Brand management is the way through which organization is maintaining and improving a brand so that the organization gets positive results. Brand management considers a lot of aspects such as product cost, customer satisfaction and competition available in the market. Brand management helps in building goodwill in the market. It works on how the brand can give favorable results to the consumer as well as the company.

Brand management also works to increase the perceived value of the brand and that make loyal consumers. Loyal consumers help to raise the brand awareness that helps in improving the brand image or goodwill of the company in the market. Therefore brand management is an art of maintains and creating the value of the brand in the market. It helps in increasing the commitment of the consumers towards the brand. This commitment helps the company to generate more profit. Appropriate brand management increases the success rate of a new product line of the same brand. So in the modern era, the brand management is very imperative for every organization to create and maintain the brand. Brand management may recognize that what a consumer desire is different from what he

offers, so shaping that needs and creating that perception in the mind of the consumer is the feature of effective brand management.

Brand management emerges in the recent years because the global competition is increasing and for that organization should be more professional and competent. Increased competition in the market, force the organization to maintain the distinctive identity of the brand. Another reason for the emergence of brand management is creating the value of the product for the customers because organizations diversify their business and brand name that supports the other product and services of the organization. Brand management mainly work in these areas-

- a) For giving organization long-range competitive advantages
- b) Helps the organization meeting the changes in market
- c) Helps in sales forecasting
- d) Developing proper advertisement
- e) Developing the promotional strategies
- f) Developing & increasing the brand loyalty of consumers

A strong brand influences the decision making of consumer and creates an emotional link between the brand and the consumer which help the organization in achieving their long-term goals. Brand management helps the organization for sustaining in the market. It provides the opportunity to the new product line because of the already established brand name; the new product lines have to face less risk in the market.

2.1.1 Principles of Brand Management

To create a successful brand in the market, the companies or organization brand management should be competent, and for practical brand management, there are certain principles needed to follow-

1. Capitalize on few brands which convey the vision and also create the desire for the consumers. Make the customer realize that this brand helps him to change his life.
2. Build a structure for the variety of sub-brands & to care them.
3. Act as a leader in the market & increase the standard of the category.
4. Deliver the customized service this lead to the customer satisfaction and increase the loyalty of customers.
5. Directly link the product to the consumers so that brand becomes stronger.
6. Sustain the brand by continuous development of it. Bring innovations in it.
7. Reward the consumers who associated with your brand. It helps in making them brand loyal, and they can assist the company in word of mouth communication which is the sign of success.
8. Encourage people that share the value of the brand.
9. Rapidly globalize the brand and its products. Due to rapid change in environment globalization of the product is essential for the company which helps in widening the market for the product.
10. Be ethical to your consumers. These ethics are fundamentally related to the product quality. Deliver quality goods to the customers at right cost so that they can become loyal to the product.

These principles of brand management can be remaining constant, but the application of these principles differs from organization to organization. These principles support the organization for proper brand management and make more competent in the fierce competition.

2.1.2 Role of Brand Management

It's tough to make a brand, once the brands set up it assumes a fundamental part of the organization. In the competitive market, the brand has a significant role to stay in the market. Consequently, the brand is imperative for the organization since it is the personality of the organization. Some roles of the brand given below-

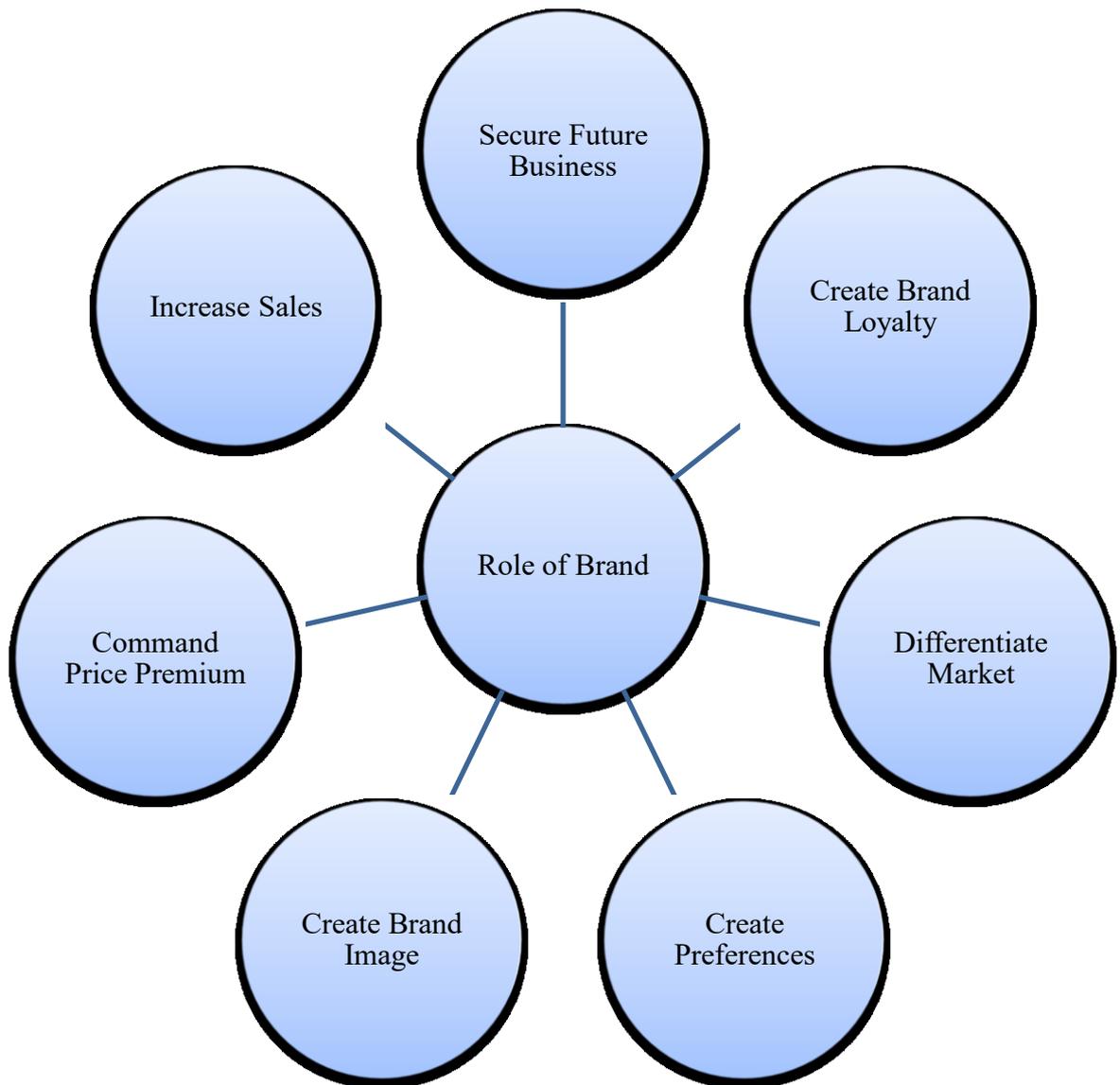


Figure 2.1 Role of Brand Management

1. **Secure future business-** Brand is paramount assets of the organization it helps in building up the picture of the organization. That will assist the association when they present the new product offering. Hazard will be diminished by as of now the entrenched brand name.
2. **Create brand faithfulness** – Brand is not only the name it also helps to establishes faith in the mind of the consumer. The brand devotion gives the competitive advantage to an organization which further contributes to gain the higher market share.
3. **Differentiate market-** Brand play a significant role to differentiate the business organization from its rivals because brand makes unique image and feature in the market or customer mind.
4. **Create customers inclinations** - Brand management helps to fascinate the more consumers. The brand also increases the customer's desires toward product so that consumers can make a purchase decision.
5. **Create brand image-** Brand management mostly works to creating the image of the company in the mind of the buyers which helps the organization for accomplishing their set goals.
6. **Customer willing to pay a premium price** - Brand management builds the customer confidence which further enhances the brand loyalty, customers' satisfaction, etc. The brand makes consumers willing to pay an extra price for the product and services.
7. **Improve the sales-** The brand management increase the brand awareness and make more loyal and satisfied customers. That helps the organization to gain the massive market share and profit in the competitive environment.

2.1.3 Functions of Brand Management

The brand usually is a part of the marketing efforts of an organization. Brand help to the organization to attract the attention of the buyer towards products and services. Brand management is the vital part of the business organization. There are various functions which come under the brand management discussed below-

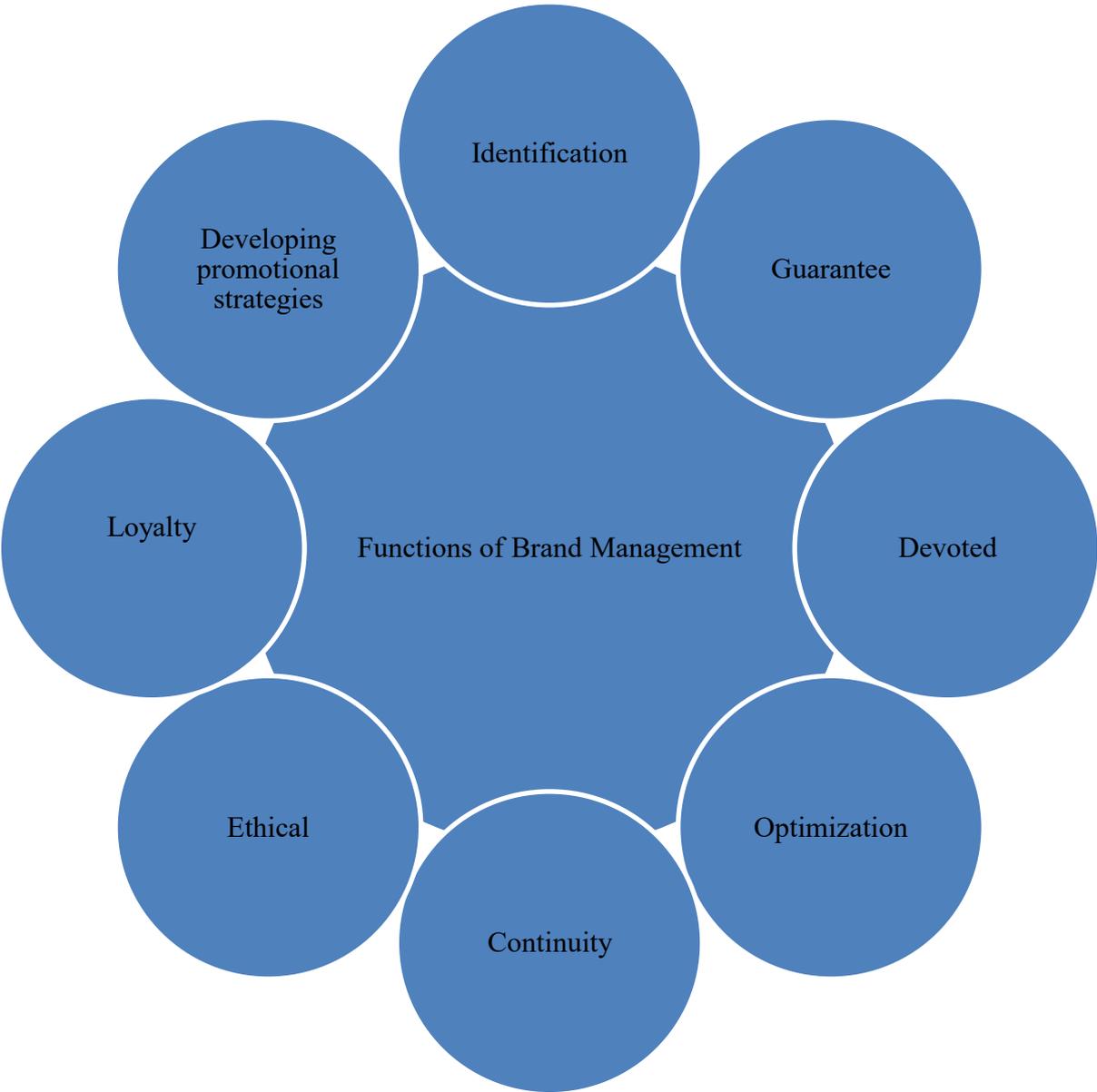


Figure 2.2 Functions of Brand Management

1 **Identification-** Brand function includes identification its mean identifying that brand or to explicitly recognizes in the fierce competition. Identification concern facilitates the

purchaser a choice for consideration in his decision-making process. That will help in generating brand loyalty among consumers by offering them a selection of the products available in the market.

2. **Guarantee-** Guarantee is another function of the brand which helps to reduce the perceived risk in the market. It will help the company to deliver the better products to the consumer. The brand provides the guarantee of products which contribute to making loyal and satisfied customers.

3. **Devoted-** This is the emotional function of branding. That would help to make the product more attractive by its logo or communication so that consumers can relate this product to them quickly.

4. **Optimization-** The next function of the particular brand reduces risk by lowering the total production cost and delivering the best and quality product to the consumers. Brands help to do optimum utilization of resources so that organization can increase customer satisfaction.

5. **Continuity-** Continuity is another vital function of a brand. Continuity is related to the continuous change in the product, so that loyalty of consumer adequately maintained. Continuous innovation in the product quality makes the customer more loyal towards the brand.

6. **Ethical-** Organization must work ethically. Give quality items to the customer at the reasonable price which make more dependable and reliable toward the organization. The ethical organization can make the product more successful as compared to unethical agencies in the dense completion.

7. **Loyalty-** Branding makes the consumers loyal to the products and services which help the organization to take the advantages of the customers by bringing premium prices.

8. **Developing Promotional Strategies-** Branding helps in developing proper promotional strategies which suit the image of the organization. Brand management shows the vision and the reason for developing the product and service to the consumers.

These are the functions which support the organization for the proper brand management. These features can generate brand loyalty within the consumers.

2.2 Concept of Brand Equity

In the present, we are in the worldwide market where the furious rivalry in the market. In the focused business condition, each business association needs to make the more proficient technique. So the question emerges what can be the best or successful procedure to remain in the dynamic market. Amid the 1980s to 1990s, the term came brand equity, and this idea got nature in particular, and many researchers have done in this field. The Brand Equity is the blend of two words "brand, " and "equity" the brand means the name which recognizes the item in thick rivalry and value might be money related viewpoint or in straightforward dialect how many clients will pay the additional premium for the specific brand. BE is the significance of the product or brand that verify its worth. If we talk about the monetary values, this is the value that the organization expected to receive for brand offered by that organization. Essentially the brand value is the methodology which is utilized by the different organization to get by on the market for quite a while.

The term brand value got mainly fame since it is the advantages which pay to the organization for the stretched out period which help to stay in the dynamic market. So question emerge again how the brand equity make? Aaker & Joachimsthaler (2000) represent that customer-based brand equity must contain five degrees specifically brand awareness, association, perceived product quality & loyalty. Farquhar (1989) higher advertising, and trade advantage, brand loyalty, premium pricing of the product, advertising, and business advantage help to increase higher brand equity which contributes to the organization to make more profit. The brand equity can create product awareness, association & loyalty. Brand equity is the extra benefit of goods by its brand name this additional value can consider from the firm, the trade, or the buyer. Finally, it can be summarized that brand associations combine awareness, product perceived quality, and loyalty that indicate higher brand equity. All these dimensions help to create brand equity because each of the components firmly identified with brand value. As per the existing pieces of literature the critical elements of brand equity discussed below:

2.2.1 Brand Awareness & its contribution to BE

Brand awareness is the first step in brand equity process. Recognition is about customer know the brand. Customer recognizes that brand among the available brands in the market. According to Rossiter and Percy (1987) Brand Awareness defined as the strength of

presence in the minds of the customers or may be defined as the capability to classify or recognize the brand. Aaker & Joachimsthaler (2000) brand recognition and brand recall ability of customer is known as brand awareness.

Brand awareness incorporates brand acknowledgment and brand review execution. Brand recognition alludes to the capacity of the purchasers to accurately separate the brand they already have been presented. That does not require that the customers recognize the brand name. Instead, it regularly implies that buyers can react to a particular brand after survey its visual bundling pictures. Brand recall enhances the capacity of the customers to create and recover the brand in their memory efficiently. (Aaker & Joachimsthaler, 2000; Farquhar, 1989) Brand awareness consists following elements such as recognition, brand knowledge, brand dominance and brand opinion. Brand awareness assumes a unique part of a customer's purchasing. Amid this procedure, the classification needs the empowered first. For instance, you have to do food shopping. You will record the sustenance classifications, similar to chocolate, rather than brand names on your rundown. Now you will check the bundles of chocolate on the rack and perceive distinctive brands. Such acknowledgment may found in the learning of a colleague or companion having utilized the item in the past or steady ads. In this circumstance, brand awareness does not require brand review since brand mindfulness may happen alongside brand acknowledgment. Be that as it may, in distinguish situations, brand recall expected. For example, you are in a rush and need to snatch a chomp at a fast-food eatery. It is impractical for you to drive around and settle on a choice. You have to recover unique fast-food brand in your memory, pick one and go there straightforwardly. In this circumstance, consistent promotion is essential in buyers' memory recovery because the customers will go to the leading brand that can be the review.

2.2.2 Brand Association & its contribution to BE

Anything associated with the user memory regarding brand is called brand association. Farquhar (1989) Brand Associations are supposed to hold the value of the brand for their customers. Brand Association must have some value to their customers by providing a motive to purchase the brand. Consumer associates his perception related to brand based on the advertisement, the quality of product and so on. Furthermore, the brand association can create attributes attitudes & benefits. Moreover, brand Association is an essential dimension of Consumer-Based Brand Equity. Pheng Low & Tan (1995) discussed the

brand association attributes like some associations and uniqueness cause brand equity. When a brand has a high, unique and confident association, it leads to brand equity.

2.2.3 Perceived Quality & its contribution to BE

Perceived Quality is a way that leads to brand equity. Perceived quality is nothing more than the perception of the consumers that hold the quality of the goods. For quality, the consumer has specified parameters on which they judge the quality of a product. Farquhar (1989) measured Perceived Quality as a fundamental element of brand equity, and it motivates to pay a premium price. Perceive quality help to differentiate among competitors brand. Thus, the perceived quality as an inner edge of an organization that made strong brand equity. Furthermore, when consumer judges the product excellence, value and superiority it leads to perceived Quality.

2.2.4 Brand Loyalty & its contribution to BE

According to Rossiter and Percy (1987), favorable customer attitude regarding brand leads to the brand loyalty. If a consumer consistently purchases a product of a particular brand that shows his brand loyalty about the product. Loyalty is the emotional attachment to the customer. Brand Loyalty is a major constituent of Consumer-Based Brand Equity. Brand reliability/ loyalty happens when a customer decides to over and over buy an item delivered by a similar organization rather than a substitute item created by a contender. For instance, a few people will dependably purchase Coke at the supermarket, while other individuals will dependably buy Pepsi. Brand Loyalty based on the perception of the consumers. Brand loyalty always related to the product, not to the company. Brand loyal consumers start building an emotional relationship with the brand, so organizations make sufficient efforts to enhance the brand loyalty. Farquhar (1989) brand loyalty is a broad pledge to re-bury a preferred brand nearby future. There are lots of reasons which reinforce the importance of brand loyalty. Firstly it helps in reducing the cost of production because sales are high. Second through the brand loyalty consumers are willing to pay extra money for the product. Finally, loyal customers can use as a marketing strategy for the product. That will lead to the positive word of mouth communication for the brand. A brand loyal consumer has an intense feeling which helps in strengthening the brand. Brand loyalty is the repeated purchase of the obliged brand.

Brand loyal consumers may try another offering from the same brand. The customer may become brand loyal based on product usefulness or if that particular brand represents the association of that category of people. The ideal way of making consumer brand loyal is providing them valuable benefits of the brand. It is the fear of consumer for not purchasing another brand in which he is not having trust. If the loyalty rate is high, there is less marketing expenditure by the organization and more significant market share and profit.

2.2.5 Brand Image & its contribution to BE

The Brand image is the perceived image of the company by the consumer. Brand image is the perception of the consumers about the product. What do they think of the brand? It helps in maintaining the brand identity. The brand image makes the organization differ from the others. For example, when we see the logo of Nike and Adidas, we always get the picture of sportswear brand. We quickly recognize them. The organization builds its image by communicating with consumers. Brand image is the set of values and beliefs held by the consumers about the specific brand. In simple words, the image is nothing but the perception of a user associated with the brand. The brand image depicts the organization's character. It is the overall impression in the mind of the consumer about the product. It generates the emotional connectivity with the customers. Brand image should be positive which leads to the higher brand equity.

The brand image conveys the image of the company in the unique manner which differentiates the brand from its competitors. It is directly related to the brand association which leads to the perception of the consumer. The brand image provides three types of benefits to the customers:

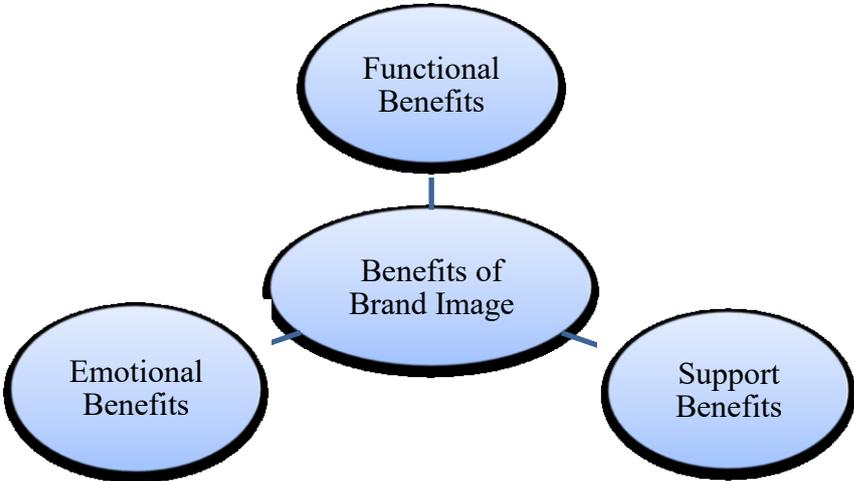


Figure 2.3 benefits of Brand Image

2.2.6 Brand Personality & its contribution to BE

Characteristics of the personality which associated with the product. Brand personality related to the intangible part of brand equity. It is the emotional part so that consumer quickly connects the product. Brand personality is the set of individual feature which the company associated with the brand. Brand personality is the way brand talks and carries on. It implies allotting human identity attributes/qualities to a brand to accomplish separation. These qualities connote brand conduct through both people speaking to the brand (i.e., it's workers) and additionally through promoting, bundling, and so on. At the point when a brand picture or brand character communicated as far as human attributes, it is called brand personality. Brand personality is nothing more than the personification of the brand

That would increase the brand equity if sufficient brand personality developed for the selected segment. For example, Dove Associates honest to the fame personality that every woman can use this product for having a soft and smooth skin. This product creates a personality which affects the buying behavior of the consumer. For the advertisement, they are using real-life female not the actresses. Brand personality related to the intangible part of brand equity. It is the emotional part so that consumer quickly connects the product. This will helps in developing brand equity. Celebrities are the supplement to brand equity. Through their performance, consumers relate the product. For example, Vistara Airline brand ambassador Deepika Padukone shows in the advertisement the "fly the new feeling." The consumer will perceive that you feel like a baby while traveling to this airline. Brand personality differs from brand image. Where image works for tangible benefits, brand personality operates on the emotional part. That would create emotional connectivity with the consumers. By this equity increased and the consumer is willing to pay a premium price. Trustworthy Celebrities ensure immediate awareness about the product and services. That will affect the consumers' decision making power and also create the loyalty.

These are the components of brand equity which are essential for creating brand equity. It is crucial for the organization because it increases the success ratio of the organization as compared to its competitors. Brand equity is the key to proper brand management.

2.3 Strategic Issues and Challenges in Brandings

Every brand faces some issues and challenges in their development phase or their diversification phase. Some of the common problems encountered by every brand are as below:

1. **Linguistic barrier-** Language we use to communicate our opinions, feelings, and thoughts but sometimes this will act as a barrier due to lack of its knowledge. In India, we have many languages which help us to communicate so while projecting a brand sometimes this will create a problem because of lack of its understanding. Proper selection of language is imperative while introducing a brand.
2. **Color-** Different colors have different meanings in different cultures thus while symbolizing a particular color with the brand than selection is essential. Every color has a sense, for example, white color is the symbol of peace. So we choose this color when we need to depict purity and faith in our brand.
3. **Emotional attachment-** Brand is successful when you emotionally attached your brand to the consumer. Consumers will purchase that product whose brand makes an emotional appeal to them.
4. **The Economic condition of the country-** When you are going to launch your product in an international market then the economic situation of that country affects your brand. Consumers can purchase a product when the economy is strong.
5. **The political condition of a country-** Political situation is here stand for the ruling party who make the laws related to the country's affairs. That will affect the brand image.
6. **Competition-** Degree of competition affects the branding. High level of competition makes consumer confuse about the brands. If the feature of the products available in the market is more or less same, then this will create a problem for building brand or image.

7. **Technological effects-** Due to change in the technical environment brand building become difficult. Technological changes affect the business because now a day's technology makes the information faster, so all the information related to the brand are easily available for the customers.

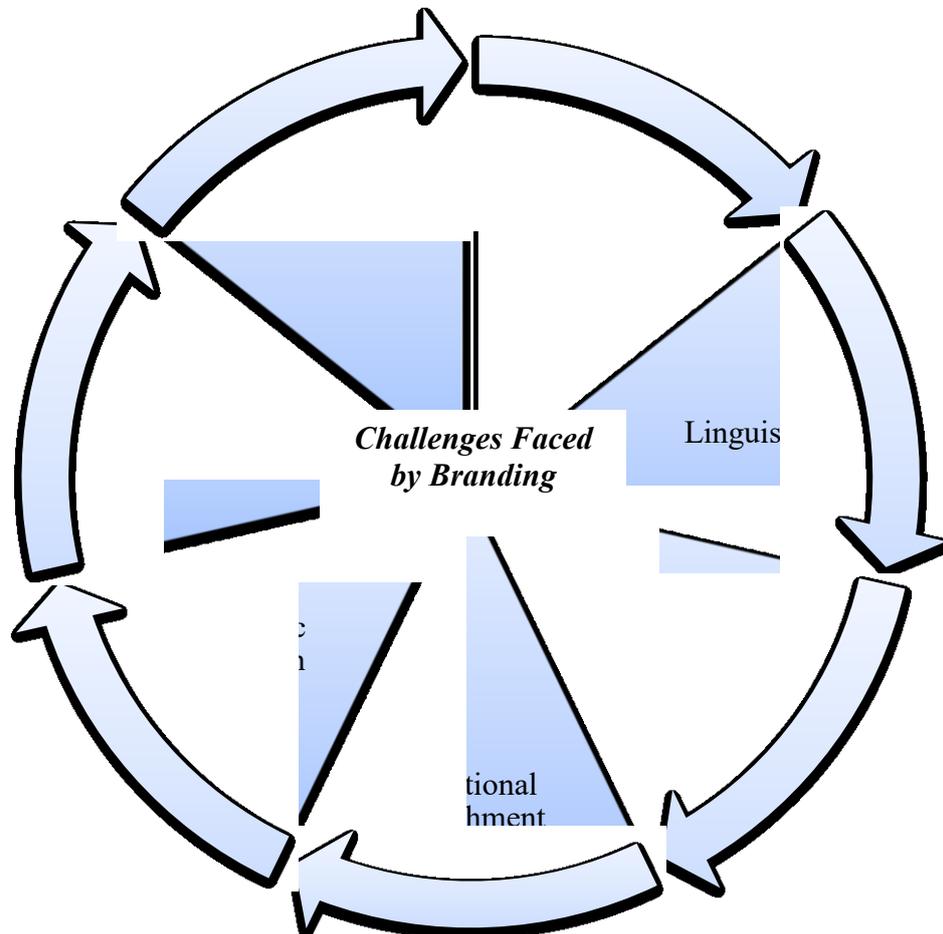


Figure 2.4 *Challenges Faced by Branding*

8. **The quality of the product-** If you are building a product, but the quality of the product is not high as you promised to customers then this will lead to the brand failure. So you must maintain the quality of the product.

9. **Culture-** culture act as a barrier to branding when companies diversify its product into the different-different cultural market. Different cultures have different rituals and different thought processes, so when the brand is new to a different culture consumer, this will act as a barrier.

2.4 Raising Brand Equity: Some Suggestions

In the life cycle of the brand /product each business organization required the publicizing media a couple of years prior, the advertiser had a constrained decision and advertiser knew about a just couple of promoting media yet because of the severe change in the innovation today advertiser have a full scope of alternatives to awareness. Publicizing media utilized as a part of advertising to maintain or enhance the execution of brand so the business would increase higher piece of the pie. Farquhar (1989) the spending more on advertising lead to perceived quality which helps to create greater brand equity. Selvakumar & Vikkraman (2011) recommended every business must invest in the ad because it plays a vital role to build high brand equity. Cooper (1984) Indicate tremendous advertising help to create high confidence and high quality which lead to brand equity. A strong brand dependably diminishes the market hazard and contributes to bolstering in the complete market. In the current years, the rivalry is expanding, and for that media, the supervisor must be comfortable with adverting media and need to choose the suitable or pervasive publicizing media with legitimate arranging and execution since promoting media can influence the brand equity.

Brand equity creation is not a simple assignment it requires a long investment, and the organization needs to make a strong association with its customers and maintain a strategic distance from the deceptive and fake guarantees. Besides, to keep up or to upgrade the brand value advertiser can utilize the celebrity in publicizing. Watch (2006) Suggested that celebrity endorsement assists in building advertising effectiveness and helps to brand recall and brand recognition or influence the consumer purchasing behavior. Cooper (1984) celebrity advertising contributes to create attention and raise the brand recall further that drive to buy. The celebrity advertising has positive effects on consumer rather than non-celebrities advertising. Utilizing the star in promoting is an intense activity of an arrangement to upgrade the brand image, brand awareness, perceived quality. However, the manufacturers need to give same which they guarantee that provide massive haul advantage to the association and help to get by in worldwide rivalry. Celebrity advertising is a proficient instrument for advancements of another brand/product, restore the brand or reposition the brand in broad contentions.

Furthermore, Advertising is incredibly healthy practices these days since it has a fantastic impact on customer way of life. Pheng Low, & Tan (1995) Describe the promotion mix as the process giving information to consumers which help to persuade or recall of goods and services in the market. Promoting media organizer must focus when assigning showcasing spending plan because each publicizing media needs isolate spending plan as per their potential for better execution which additionally prompts assemble brand equity. Today the digital and online networking has changed the business point of view even the customer has turned out to be exceptionally finicky and dependable obtain the product/brand information before to buy. Alam & Khan (2015) Discussed social media is the emerging tool for marketing communication. Social media is the platforms which create word of mouth; further, it contributes to the overall brand equity of any brand. Therefore to construct or to raise the brand equity in the thick rivalry media manager ought to offer consideration regarding computerized media and consumer psychology and plan media technique. Promoting is the abundant wellspring of the brand image, brand awareness, loyalty and so on which prompt high brand equity.

2.5 Concluding Remarks

Brand management approach used as a part of marketing to support the execution of brand so the company would get a higher market share of the overall industry. A strong brand dependably lessens the market hazard and helps to fortify in the competitive market. In the current years, the rivalry is expanding, and for that brand manager need to build up a viable advertising plan to make high brand equity. The brand manager must be acquainted with advertising media and develop strategy dynamically. Apart that company needs to focus on awareness, associations, loyalty & perceived quality because every component helps to make high brand equity. Additionally, the advertiser needs to choose the suitable media (advertising, sales promotion, personal selling, social media and direct marketing, etc.) and legitimate arranging and execution required on the grounds that can positively influence the brand equity.